

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLUE GRASS ENERGY)	
COOPERATIVE CORPORATION FOR APPROVAL)	CASE NO.
OF THE CONVERSION OF CFC NOTES 9006, 9012, 9013,)	98-295
9009, 9011, 9018 AND 9019 FROM THE VARIABLE TO)	
FIXED RATE LOANS)	

ORDER

On July 2, 1998, Blue Grass Energy Cooperative Corporation ("Blue Grass") filed a motion for a 30 day extension of time in which to respond to the Commission's June 15, 1998 Order.

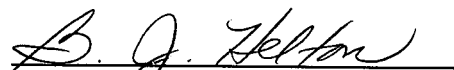
KRS 278.300(2) requires applications for authority to issue or assume securities or evidences of indebtedness to be ruled on within 60 days unless it is necessary for good cause to continue the application. Granting Blue Grass's motion for an extension will extend the time beyond the 60-day period in which the Commission must rule on the financing application. Therefore, the Commission finds that good cause exists to continue the financing application beyond the 60-day period specified in KRS 278.300(2).

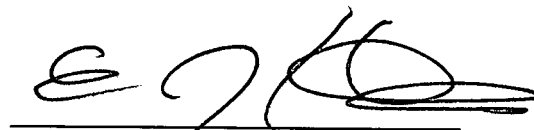
After consideration of the motion and being otherwise sufficiently advised, the Commission HEREBY ORDERS that:

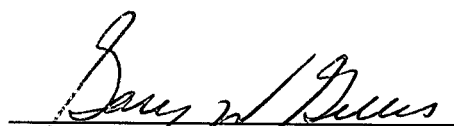
1. Blue Grass's motion for a 30 day extension of time to respond to the Commission's June 15, 1998 Order be and hereby is granted.
2. The portion of Blue Grass's application for authorization to incur additional indebtedness is hereby continued beyond the 60-day period specific in KRS 278.300(2).

Done at Frankfort, Kentucky, this 7th day of July, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director